

Quarter 2 Financial Results - 2008-09

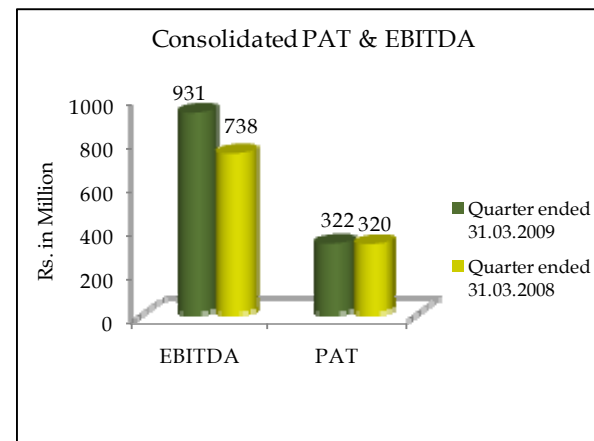
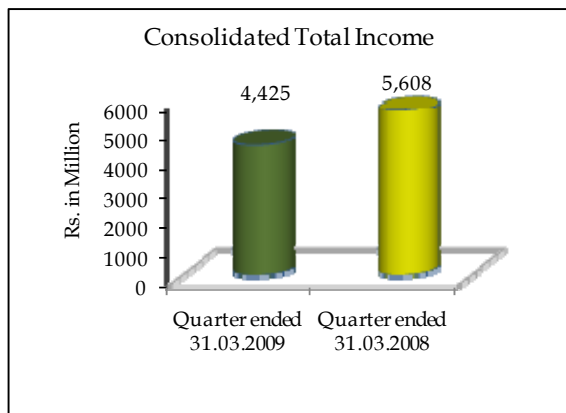
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Shree Renuka Sugars Limited

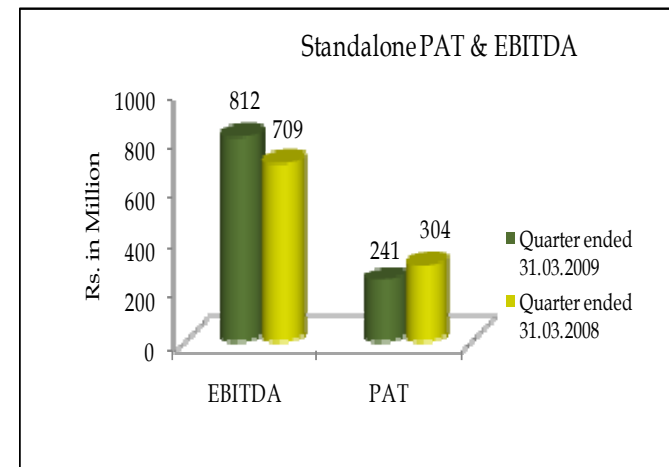
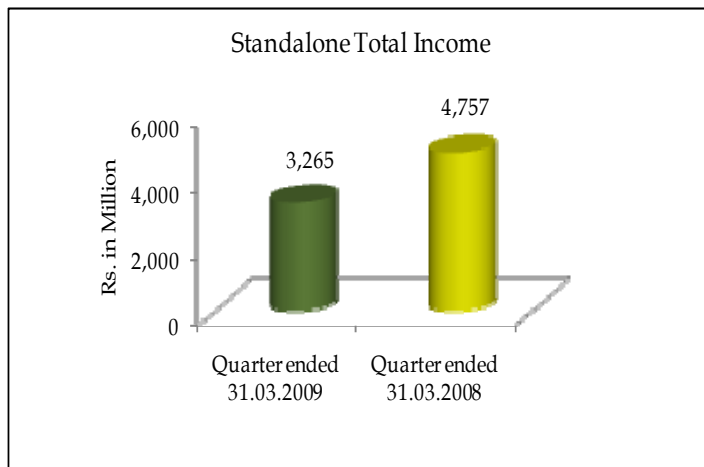
Quarter 2 - Consolidated Results



Comments

- ✓ Consolidated Net Revenues decreased by 21.09% in the Q2 2009 as compared to Q2 2008
- ✓ Consolidated EBITDA increased by 26.15% in Q2 2009 as compared to Q2 2008
- ✓ Consolidated PAT increased by 0.63% in Q2 2009 as compared to Q2 2008

Quarter 2- Standalone Results



Comments

- ✓ Increase in EBITDA by 14.53%
- ✓ 31.36 % decrease in net sales in Q2 2009 as compared to Q2 2008
- ✓ PAT Decreased by 20.72% in Q2 2009 as compared to Q2 2008

MANAGEMENT AND DISCUSSION ANALYSIS - QUARTER ENDED MARCH 31, 2009 WITH THE QUARTER ENDED MARCH 31, 2009**Revenues**

Our total turnover including total revenues net of excise duty and including other income, for the 2nd quarter ending March 31, 2009 was Rs. 3,265 million as compared to Rs. 4,757 million in the 2nd quarter ending March 31, 2008, which is a decrease by 31.36%.

Our total turnover decreased mainly due to lower trading revenue of Rs. 72 million in quarter ending March 31, 2009 from Rs. 2,774 million in quarter ending March 31, 2008, but there was an increase in segment sale of sugar to Rs. 2,939 million from Rs. 1,594 million, which is an increase by 84.38% ; increase in sale of power to Rs.869 million from Rs. 635 million, which has increased by 36.85 %; and a marginal increase in segment sales of Ethanol and other products to Rs. 379 million in the quarter ending March 31, 2009 from Rs. 352 million in quarter ending March 31, 2008, which is an increase of 7.67%.

The segment sales of Manufactured Sugar increased by 16.66% from 104,114 MT to 121,459 MT of sugar sold in quarter ending March 31, 2009 and average net realization increased by 52.63% from Rs. 12,366 to Rs. 18,873 per MT (including exports) and up from Rs. 16,527 per MT in first quarter ending December 31, 2008.

Revenue from cogeneration plant was also high by 36.85 % due to increase in export of power to Grid from 57 million KWH to 59 million KWH and an increase in net realization from Rs. 5.46 to Rs. 6.50 for per unit export of power.

Sales from Ethanol plant in the quarter ending March 31, 2009 have increased by 7.67% as compared to the sales for the quarter ending March 31, 2008 due to increase in average realization during the quarter from Rs. 21,222 to Rs. 23,991 which is an increase of 13.05% although there has been a decrease by 4.86 % in sales quantity from 16,583 K.Ltr to 15,777 K.Ltr.

The revenues from Renewable Segment (Ethanol & Power) as a percentage of Manufacturing Revenues have increased from Rs.987 mn in Q2 2008 to Rs. 1,248 mn in Q2 2009; an increase of 26.44%.

The profit (PBIT) from Renewables (Ethanol & Power) has increased from Rs. 415 mn in Q2 2008 to Rs. 509 mn in Q2 2009; an increase of 22.65%. Profit from Renewables contributed 71.09% of the total manufacturing profit.

Production

The cane crushing at all the plants totaled 1,371,225 MT in the quarter March 31, 2009, as compared to 2,107,549 MT in the quarter ending March 31, 2008. The refinery at Haldia in West Bengal has achieved refining output of 105,971 MT of refined sugar, as against 36,450 MT in Q1 2009. Refined sugar production in Karnataka was 56,771 MT.

Due to lower sugarcane availability and lower production of sugar for the current season 2008-09, company imported raw sugar to meet its refinery requirements and refined sugar production was 162,742 MT. The total inventory of sugar (raw sugar and refined sugar) as of March 31, 2009 was 527,438 MT.

Expenditure

Our total expenditure net of increase/(decrease) in stock and excluding provisions for tax, interest & depreciation was Rs. 2,453 million in quarter ending March 31, 2009 which is a decrease by 39.40%, as compared to Rs. 4,048 million in quarter ending March 31, 2008.

Major Raw materials

Consumption of Raw Materials

- Sugarcane

Though due to scarcity of Sugarcane the Crushing was less by 34.9% compared to the previous period, the total consumption of raw materials for the sugar plant in quarter ending March 31, 2009 was Rs. 2,411 million as compared to Rs. 2,348 million in quarter ending March 31, 2008. The increase is on account of steep rise in Sugarcane Prices by almost 58% from Rs. 1,100 per ton to Rs. 1,761 per ton.

- Raw sugar

The company has been importing duty free raw sugar for its refineries, total imports for the quarter ending March 31, 2009 is 289,764 MT out of which 145,862 MT has been processed.

Interest

Interest cost in quarter ending March 31, 2009 increased to Rs. 292 million from Rs. 185 million in quarter ending March 31, 2008, which is an increase by 57.84 %. This was primarily due to increase in working capital borrowings for manufacturing.

Profit before Tax

Our Profit before Tax in quarter ending March 31, 2009 was Rs. 365 million as compared to Rs. 435 million in quarter ending March 31, 2008. This represents a decrease of 16.09%.

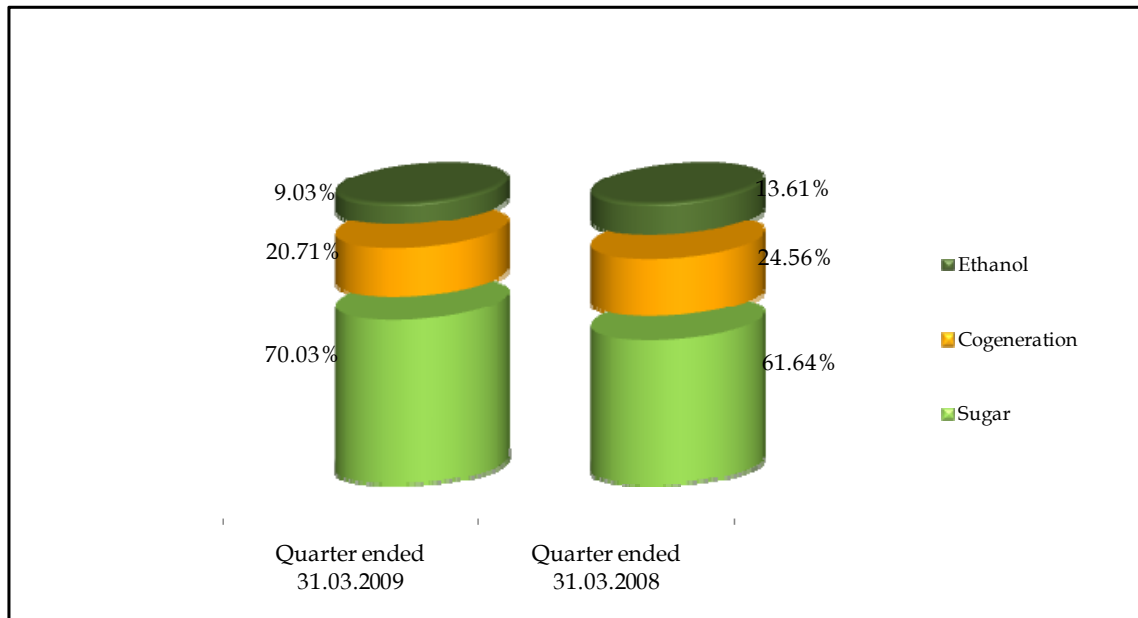
Provision for Income Tax

Provision for Income Tax decreased to Rs 124 million in quarter ending March 31, 2009 from Rs. 131 million in quarter ending March 31, 2008; a decrease of 5.34%.

Profit after Tax

Our Profit after Tax in quarter ending March 31, 2009 was Rs. 241 million as compared to Rs. 304 million in quarter ending March 31, 2008. This decrease is due to the changes in various revenue and cost items as discussed above.

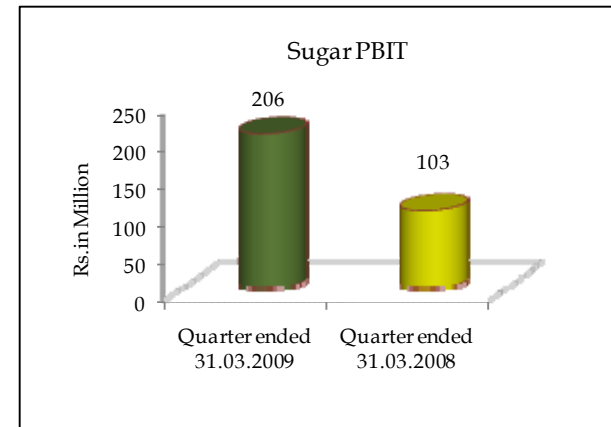
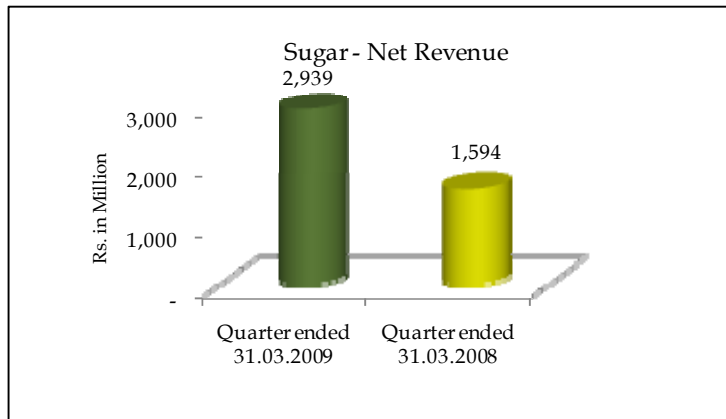
Segment wise Comparison- Manufacturing



General Comments:

- ✓ Increase in contribution of Sugar from 61.64% to 70.03%
- ✓ Decrease in contribution of Ethanol from 13.61% to 9.03% of the total revenues
- ✓ Decrease in contribution of Cogeneration from 24.56% to 20.71% of the total revenues

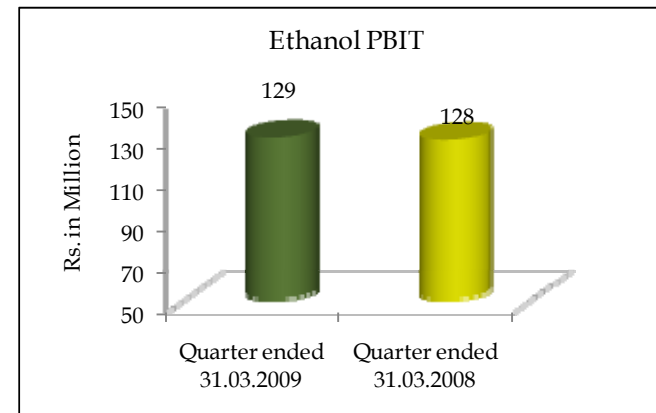
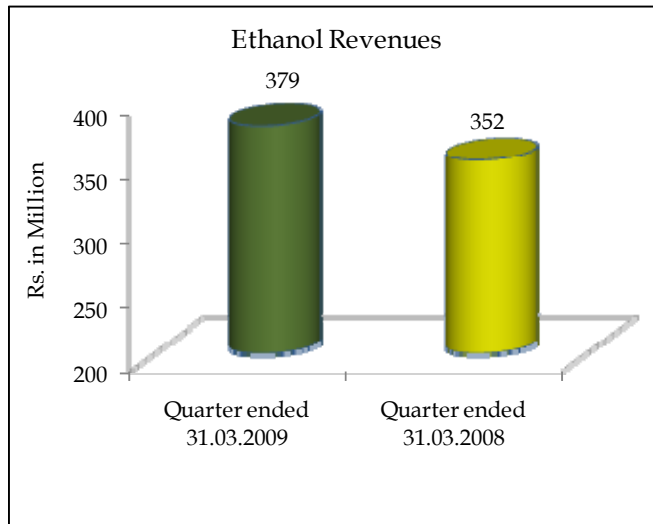
Segmental Analysis - Sugar



Comments

- ✓ Sugar Revenues increased by 84.38% in Q2 2009 as compared to Q2 2008
- ✓ Sugar PBIT increased by 100.00% Q2 2009 as compared to Q2 2008

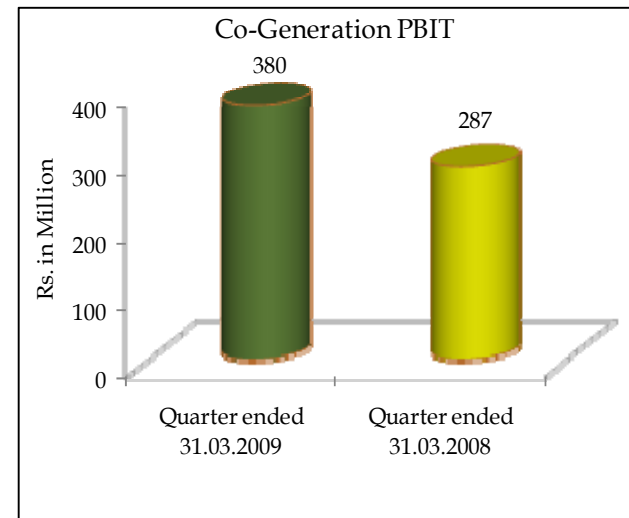
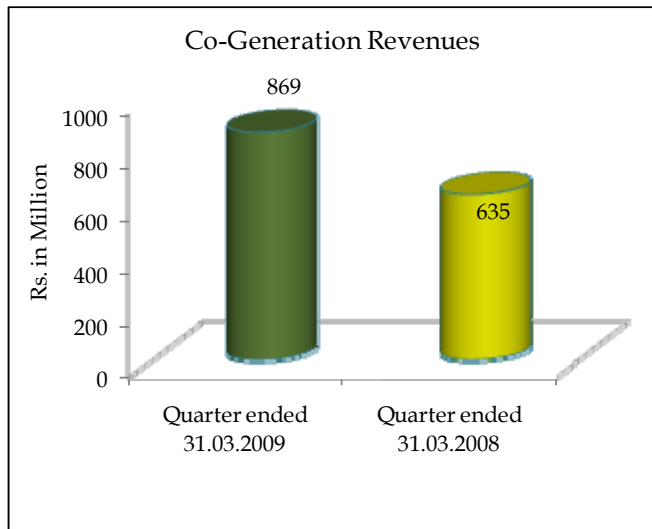
Segmental Analysis - Ethanol



Comments

- ✓ 7.67% increase in revenues in Q2 2009 as compared to Q2 2008
- ✓ 0.78% increase in PBIT in Q2 2009 as compared to Q2 2008

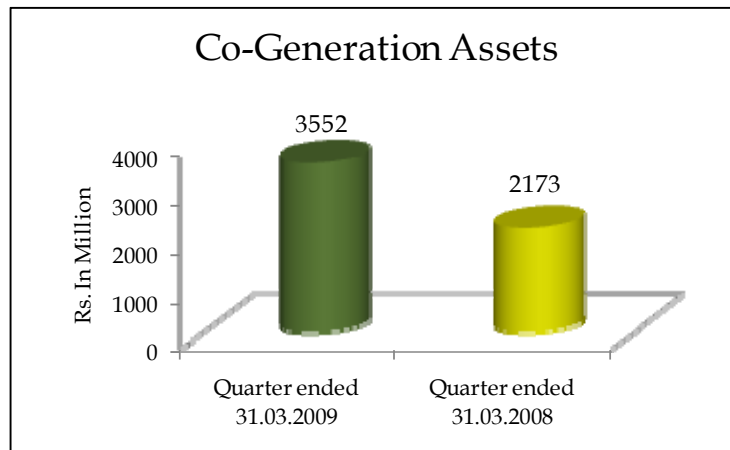
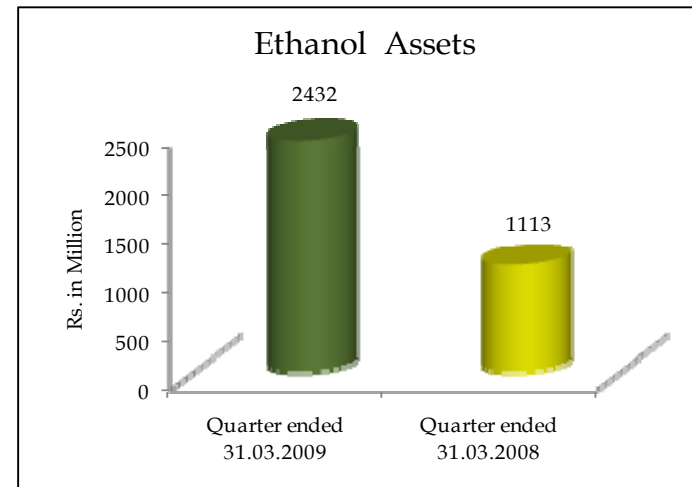
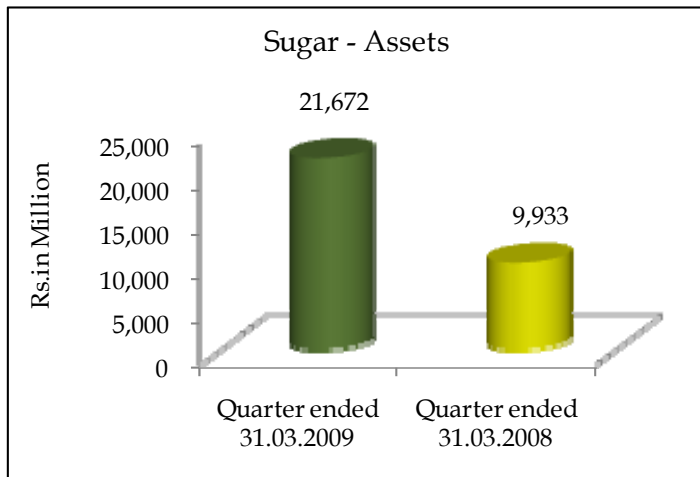
Segmental Analysis - Cogeneration



Comments

- ✓ 36.85% increase in revenues in Q2 2009 as compared to Q2 2008
- ✓ 32.40% increase in PBIT in Q2 2009 as compared to Q2 2008

Assets



Comments

- ✓ Sugar Assets have increased by 118.18% in Q2 2009 as compared to Q2 2008
- ✓ Distillery Assets have increased by 118.51% in Q2 2009 as compared to Q2 2008
- ✓ Cogen Assets have increased by 63.46% in Q2 2009 as compared to Q2 2008